Handout for the SupplyOn Service Vendor Managed Inventory (VMI)

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1 About this Manual

The content of this manual shows you how to work with the Vendor Managed Inventory process.

1.1 Abbreviations

| Abbreviation	Meaning
ASN	Advance Shipping Notice
CSV	Comma Separated Values
ERP	Enterprise-Resource-Planning
Max	Maximal
Min	Minimal
VMI (IPR)	Vendor Managed Inventory (Inventory Projection)
WebEDI	Web based EDI
XLSX	Excel 2010

2 Introduction to the Vendor Managed Inventory process

The Vendor Managed Inventory (VMI) is an approach where you as a supplier are responsible for the management of the stock held by your customer.

The material assigned to the VMI (IPR) process does not appear as a demand in the purchase order overview.

Your customer will provide appropriate demand forecasts, their current inventories as well as minimum (Min) and maximum (Max) stock levels on a regular (usually daily) basis.

You should apply the correct replenishment actions in order to trigger appropriate deliveries of the requested material to your customer's warehouse and keep the material stock between this Min & Max levels.
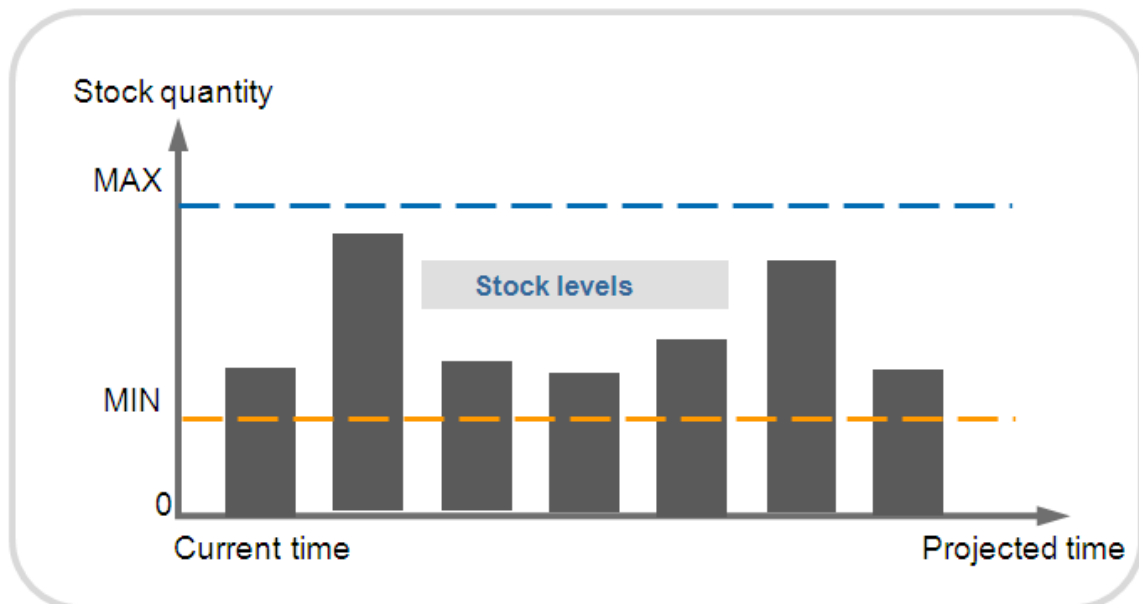
2.1 Stocks levels

There are several stock types:

✓ Actual stock: - the quantity of goods present at the current time
✓ Projected Stock: - describes the evolution of the available stock in the future

As soon as the application detects irregular cases (e.g. an out-of-stock situation), an alert is raised.

Thanks to that, you may only need to react if an alert is raised. If there are no alerts raised by SupplyOn concerning a VMI material, there is no need for you to perform replenishment actions for this material.

The following types of alerts are available:

- ✓ If the inventory level is not between the agreed Min & Max
- ✓ If the inventory level is not between the agreed Min & Max at the end of the day
- ✓ If the inventory level is not between the agreed Min & Max in the future

You need to set up the alerts by yourself as described **here**.

3 How to access SupplyOn

To work with SupplyOn your company administrator needs to set up an account and initial password for you. The administrator will assign the appropriate roles to you (see chapter 8, Roles and Rights).

Your customer sends demands and their stock levels from his ERP system(s) on a regular basis. Based on this information, you are enabled to manage your deliveries. There is no automatic e-mail notification as you are used from other processes.

Open an internet-browser and log in to SupplyOn.
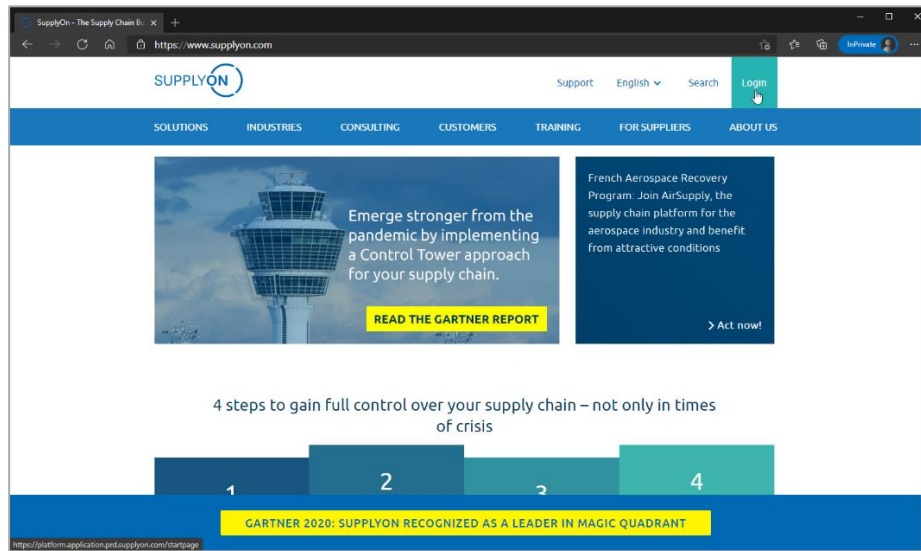
Figure: **SupplyOn home page with Login button**

Depending on your roles, you may see different tiles than used in the following screenshots.

1. Click the tile **Logistics & Finance**
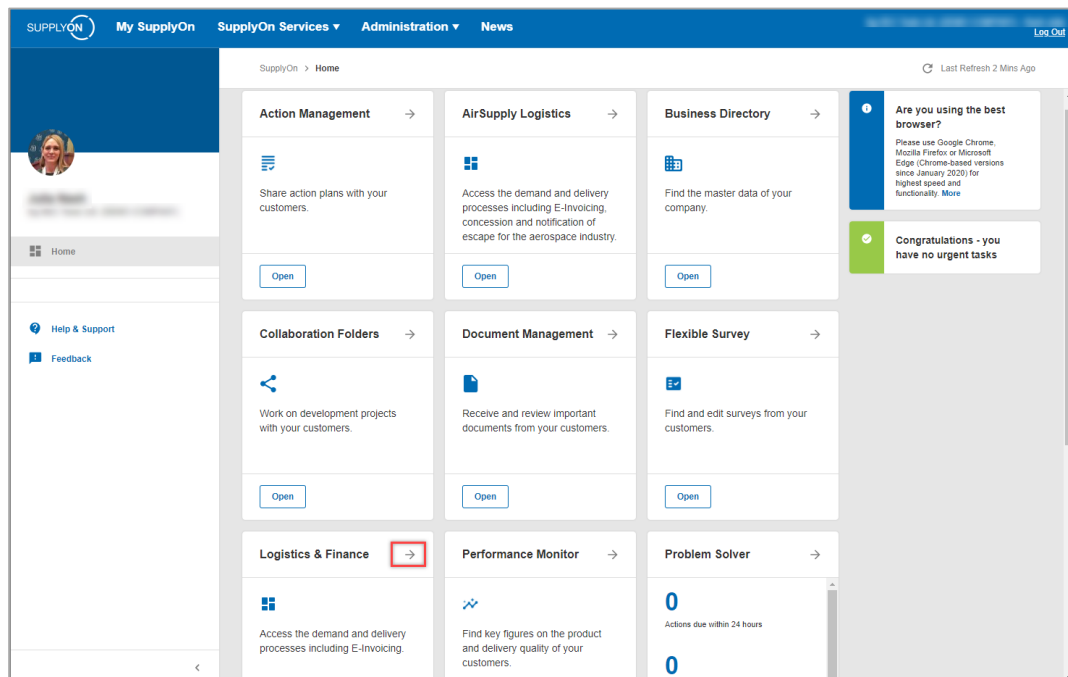
Figure: **Home** screen with **tiles** per application and actual **notifications**

4 How to work with the Dashboard

The **Logistics & Finance Dashboard** is displayed.

Depending on your roles, you may see different tiles than used in the following screenshots.
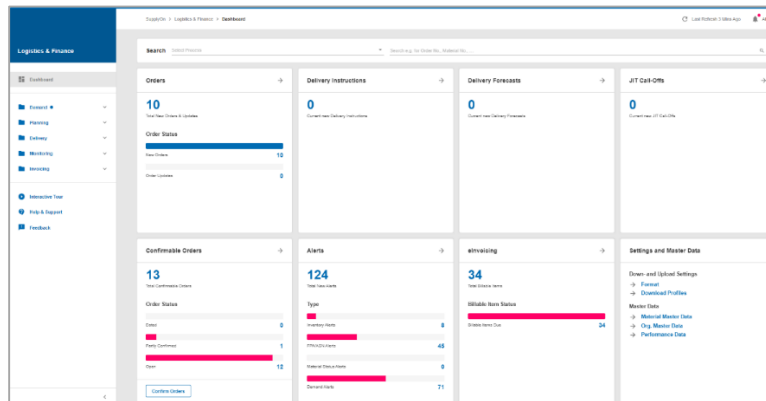
Figure: **Dashboard**

4.1 What I can see in the VMI (IPR) tile

Within the VMI (IPR) tile you see material-based alerts.

✓ Projected Stock: Inventory Alerts – the sum of all alerts

✓ Actual Stock: Inventory Alerts – the sum of alerts based on the Actual Stock status

✓ Material Situation at the end of today:

   o Below Zero: – the actual stock is below zero at the end of the day

   o Below Min Limit: – the actual stock is below the agreed minimum level at the end of the day

   o Above Max Limit: – the actual stock is above the agreed maximum level at the end of the day
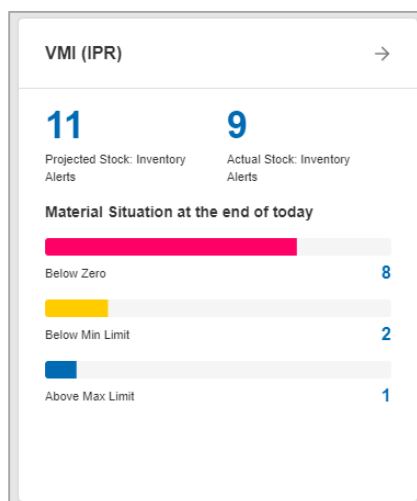
Figure: **Dashboard / tile / VMI (IPR)**

5 How to work with the Inventory Projection

5.1 How to open the Inventory Projection

1. To get an overview of all material numbers managed by VMI (IPR), click **->**

Figure: **Dashboard / tile / VMI (IPR)**

In this example 18 different material numbers are flagged by your customer with VMI (IPR) and appear in the IPR Materials overview screen.

The columns marked in green give you an actual overview of the stock situation per product.

The **Status** represents the following color codes:

✓ Red: - Stock out

✓ Orange: - below minimum

✓ Blue: - over maximum

✓ Green: - ok

The **Min** and **Max** columns show the limit levels defined by your customer, and the column **First "Below Min." Sit.** shows when the stock is expected to get below the minimum.

2. Select the material you want to work with by setting a **tick**

3. And click **Inventory Projection.**

Figure: **IPR Materials / Overview**

The Inventory Projection screen is divided into three areas:

✓ **Diagram and table** – overview of actual and projected stock levels and their position related to the min & max range, demands and planned deliveries including a graphical visualization

✓ **Material Details** – information like rounding and minimum delivery quantity, timestamps of last stock messages as well as order and ASN references

✓ **Legend** – explains the color codes in the diagram

The following buttons help with:

✓ **Master data** – changing the selected material master data like for example rounding and minimum delivery quantity

✓ **Configure view** – changing the actual view of the diagram
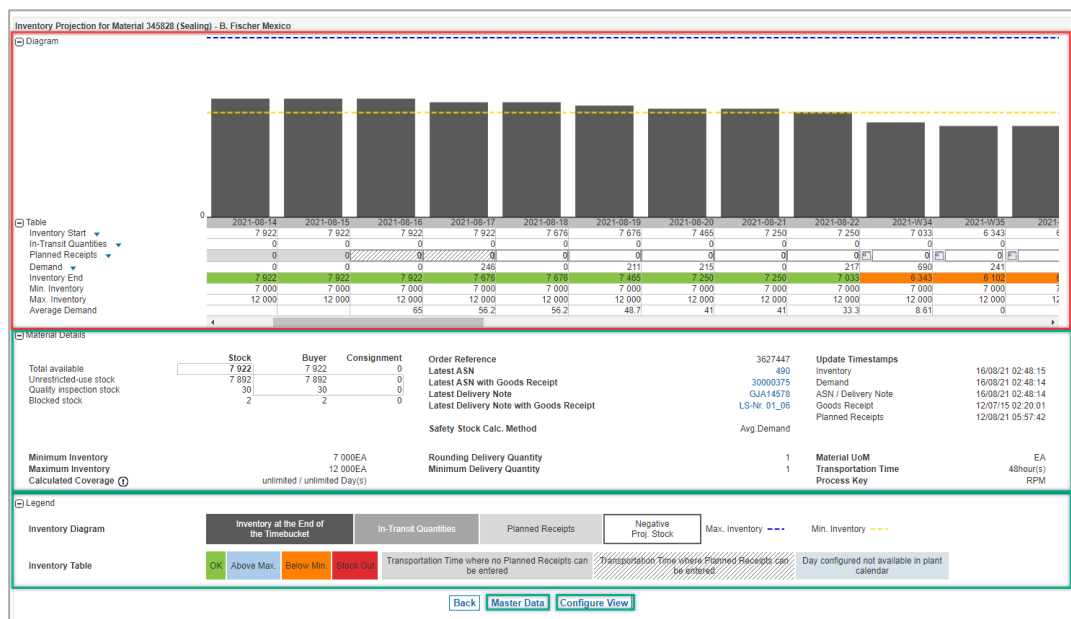
Figure: **Inventory Projection** with marked areas and buttons

5.2 How to plan your deliveries

The following screens and actions are examples to explain how to plan your deliveries.

The screenshot shows that the stock level slips below the agreed minimum quantity in calendar week 34. The minimum agreed quantity is represented by the yellow line. The maximum agreed quantity is represented by the blue line.
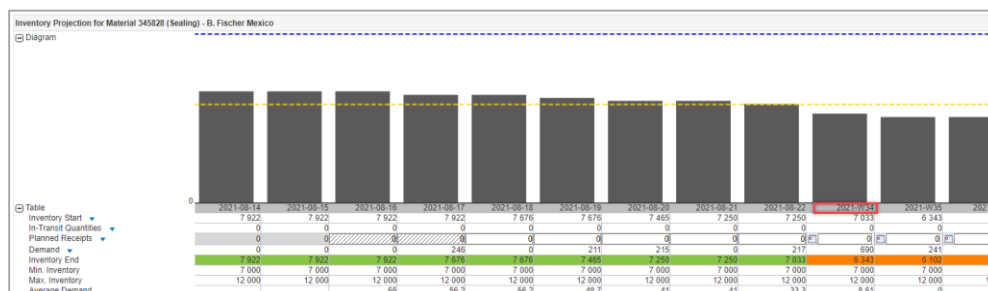
Figure: **Inventory Projection diagram and table**

The transportation time for this material to the customer location is defined with 48 hours. This is a setting you define in the master data as described [here](#). This ensures that you cannot plan a delivery within this defined period. In the screen above the 16th and 17th August are blocked in the Planned Receipt line.

Figure: **Inventory Projection with material details and the defined transportation time**

1. Enter into the **planned receipts** field for August 21st the quantity **1200.**

As a result, you can see that there is no critical situation within the following days anymore. The planned receipts are shown in light grey on top of the dark grey bar. As soon as the goods are received by your customer and the stock level is updated the quantity will be added to Inventory level.
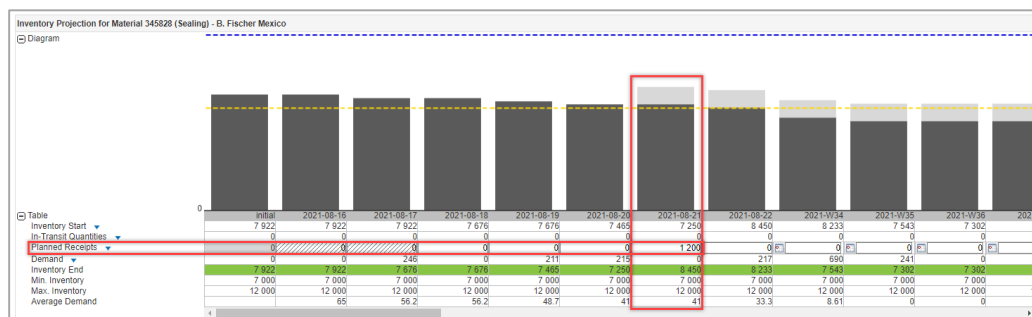

Figure: **Inventory Projection with diagram, table and planned delivery**

5.3 How to create an ASN out of VMI

Inform your customer about the shipment of your planned delivery with an ASN.

1. Move your mouse over the **In-Transit Quantities** area and
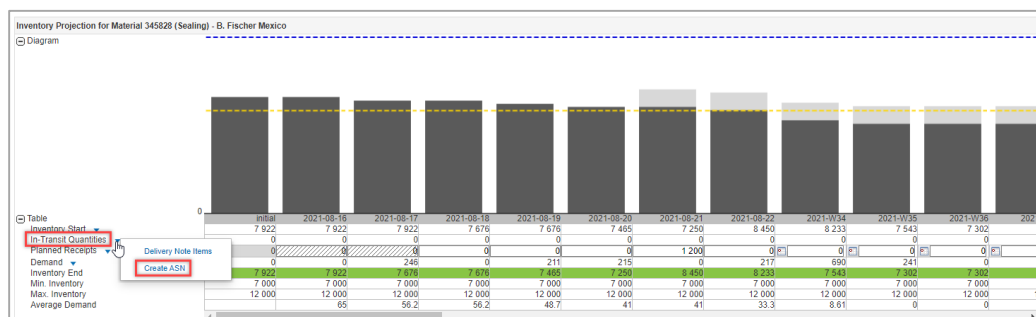
2. select **create ASN.**

Figure: **Inventory Projection view** with **diagram** and activated selection for **creating an ASN**

3. Define the time frame for the **planned receipts to be considered for delivery**
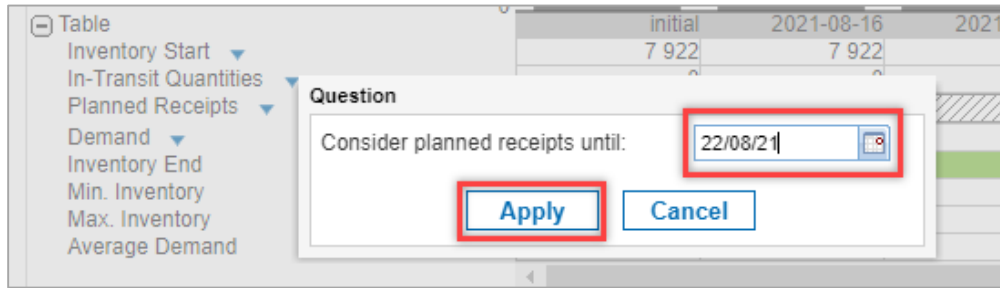
4. and click **apply**.

Figure: **Inventory Projection view** with question box for **considered planned receipts**

The **Create ASN** screen is displayed. Continue to create an ASN as described in the 'Handout for the SupplyOn Service Logistics & Finance. Advance Shipping Notice (ASN)', which can be found on the [Supplier Info Portal](#).
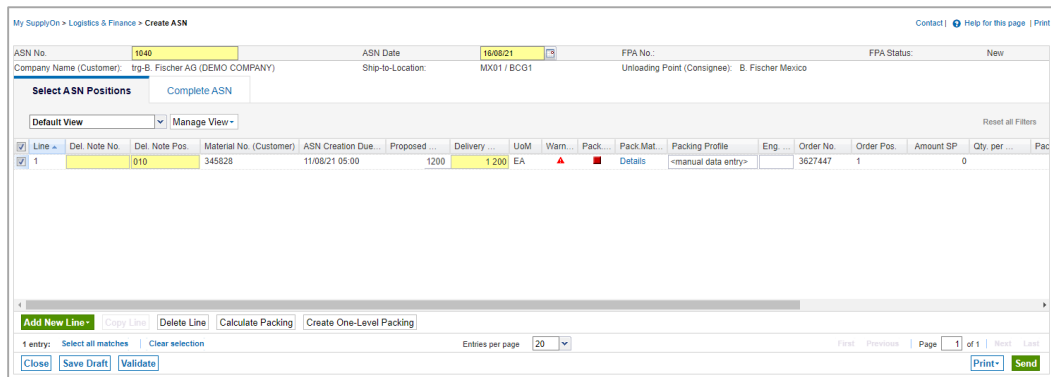

Figure: **Create ASN** with **Select ASN Positions** tab

As soon as you have sent the ASN, the **planned receipts** quantity will be reset to **0** and the line **In-Transit Quantities** will show for this example the quantity **1200.**
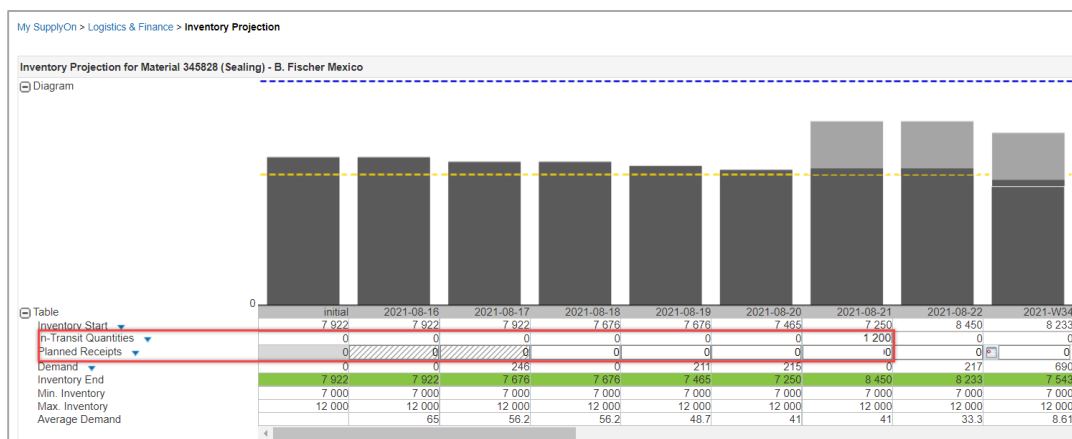
Figure: **Inventory Projection view** with new stock view with **In-Transit Quantities** number and stock

As soon as your customer has received the sent material, the **In-Transit Quantity** is reset to **0** and the **Inventory Start** will show a plus of **1200**.

5.4 How to view the demand details and history

The Inventory Projection screen offers additional details about the demands the customer sends. You can either open the details or the history.

1. Move your mouse over the **demand** area and select either **Demand history** or **Demand details**
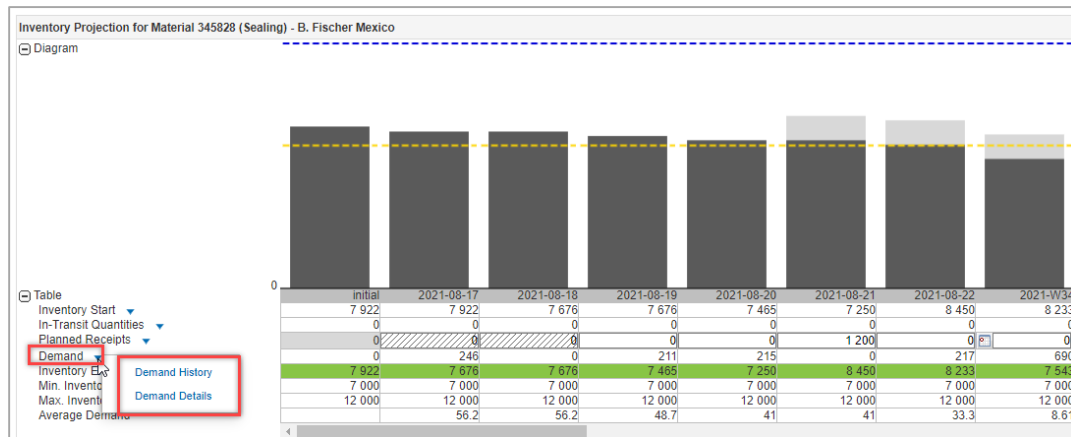
Figure: **Inventory Projection view** with **diagram** and activated selection for **Demand**

Within the **Demand History** you can see if and how a demand has changed within a certain time period. You define the time period of the messages and how many **time buckets** you want to see. A **time bucket** can be a day, a week or a month.

Figure: **Demand History** with details of demand messages

2. Click **Back** to return to the **Inventory Projection** screen.

Within the **Demand Details** you see the demands displayed in the layout of a delivery instruction. Here you can either Download or Print the demands if needed. From here you can also view the Demand history.

Figure**: VMI-Demand (IPR) Details** with the **Demand History**, **Download** and **Print** buttons

3. Click **Back** to return to the **Inventory Projection** screen.

6 Material master data I can define by myself

You can update relevant material master data. For that you need the role as described [here](#).

1. Open the **Logistics & Finance** Dashboard
2. Scroll down to the tile **Settings and Master Data**
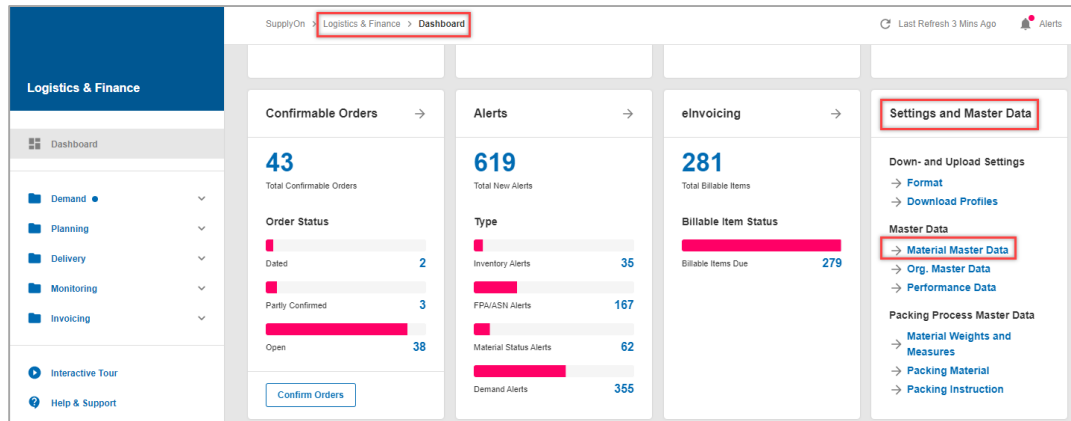3. Open the **Material Master Data**

Figure: **Logistics & Finance Dashboard** with the tile **Settings and Master Data**

You are in the Material Master Data screen. Here you can define master data either one by one or use the **Download Material xls** and **Upload xls** functions.

Figure: **Material Master Data** overview screen

The min and max amount quantities are defined in the customer ERP and cannot be changed by you. You can define:

✓ **RND. Del. Qty. (rounding delivery quantity)** – is considered when creating the planned delivery. For one material the rounding quantity is for example 100. The system will not accept 85 as a planned delivery.

- ✓ **Min. Del. Qty.** (Minimum delivery quantity) – is considered when creating the planned delivery. For one material the batch size is for example 2000. The system will not accept a planned delivery of 1900 and will correct it up to 2000.

- ✓ **Transp**. **Time** (Transportation time) – is considered when creating the planned delivery. In this example 48 hours is shown. The next planned delivery is possible in 2 days.

	Material ▲	Material Desc.	Plant Buyer	Min.	Signal	Max.	Rnd. Del. Qty.	Min. Del. Qty.	Transp. Time	Planner	DoS ...
☐	127376			10 000	0	20 000	1	1	48		✔
☐	345828	Sealing		0	0	0	1	1	48		
☐	345828	O-Ring zur Abdi…		0	0	0	1	1	48		
☐	345828	O-Ring Sealing (…		1 100	0	4 600	1	1	48		
☐	5552345	Cover yellow 13…		0	0	0	1	1	48		
☐	747490	Thermoplastisch…		0	0	0	1	1	48		
☐	747490	Protection cap		500	0	3 000	1	1	48		
☐	890128	Zylindergehäuse		0	0	0	1	1	48		
☐	890128	Cylindrical Casing		0	0	0	1	1	48		
☐	890128	Casing		1 000	0	2 000	1	1	72		
☐	993745	Sleeve to conne…		0	0	0	1	1	48		
☐	993745	Kabelbaum zur …		0	0	0	1	1	48		
☐	993745	Cable Sleeve		1 000	0	3 000	100	2 000	48		

Figure: **Material master data** overview screen **of Rnd. Del. Qty., Min. Del. Qty** and **Transp. Time**

7 How to create a process-based alert

SupplyOn supports you in complying with the logistics KPIs. As explained here, you can see your current to-dos in the dashboard in the different order tiles. Additionally, you can set up an individual email alert for specific situations. This ensures that critical situations are no longer overlooked and logistics KPIs can be met.

1. Open the **Dashboard**
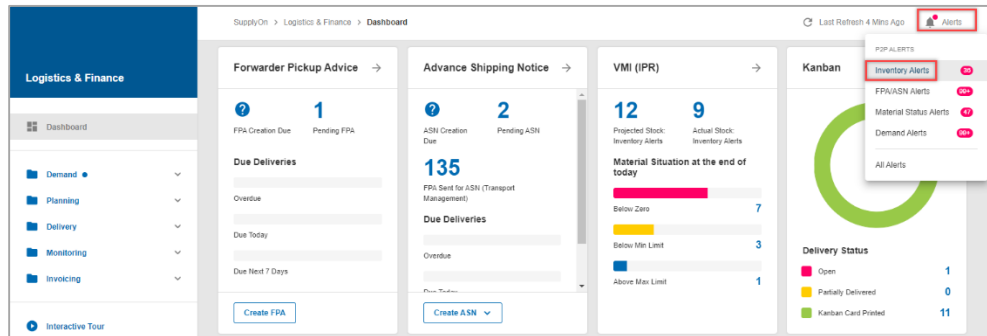
2. Click **Alerts**

3. Select **Inventory Alerts**

Figure: **Dashboard / Alerts**

Define a search profile you are interested in. For further details how to create a search profile open the media library and search for the tutorial **VMI monitoring**.

4. Build your search profile by clicking **Add a line**.

5. Select the Search criteria, for this example select **Status Stock Projection**.

6. Leave **equal to** and select the entries **below minimum**, **below zero** and **above maximum**.

7. Determine by when you want to be informed about this situation by selecting **occurrence, days in the future** and **90**.

8. Test your search parameters by clicking **Search**.
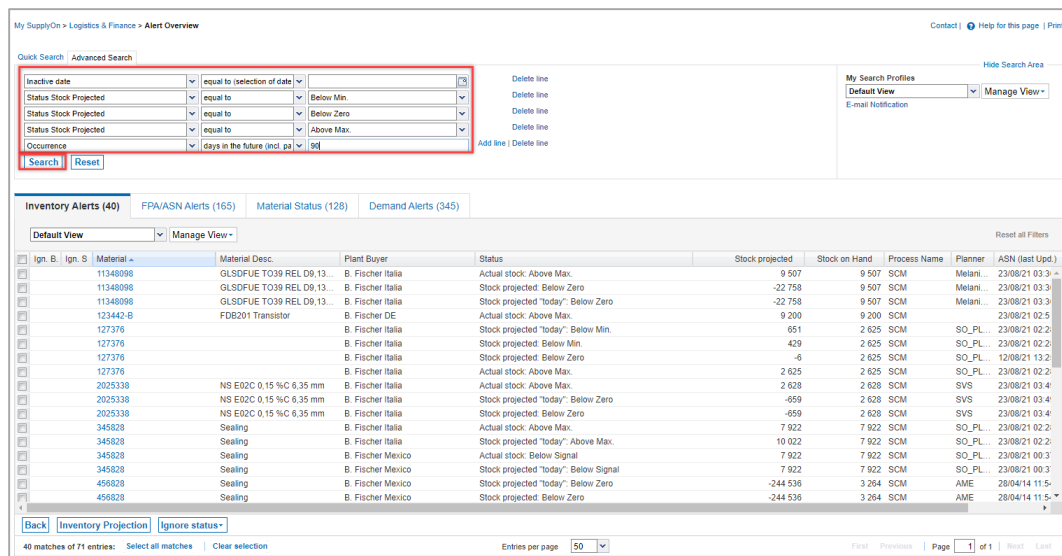
Figure: **Alert Overview / Define Search Profile**

You can save these search parameters as search profile and define the frequency of e-mail notifications for it. Define a name for your search parameters and save it.

9. Define a name for your **Search Profile**.

10. Click on the **Drop Down** next to **Manage View**

11. and click **Create new**

Figure: **Alert Overview / Define and save Search Profile**

12. Click **E-mail Notification**

Figure: **Alert Overview / Define E-mail Notification for Search Profile**

13. The just created search profile is automatically selected.

14. Set the tick next to **Active**.

15. Define the notification period, for example on a daily basis at 8:15 am in the morning.

16. Click **Save**

Figure: **Alert Overview / E-mail Notification**

In this example you will receive an e-mail notification as soon as the critical situation occurs.

8 Roles and Rights

> **Note**
>
> On the following help page it is described how you as a CompanyAdmin of your company can create users with the corresponding roles for your colleagues:
> https://service.supplyon.com/topcases/?lang=de&articleId=2062

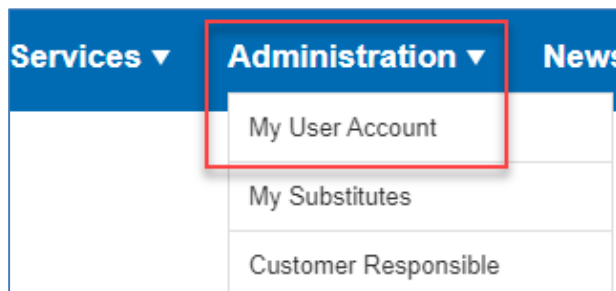Basic information about your user account, its roles and rights are visible under Administration – My User Account.

Figure: **Administration > My User Account**

As soon as you click here, you will see basic information like your username, email address etc.

Figure: **My master data**

To be able to commit the actions of this guide, the following roles in the tab "My roles" are required:
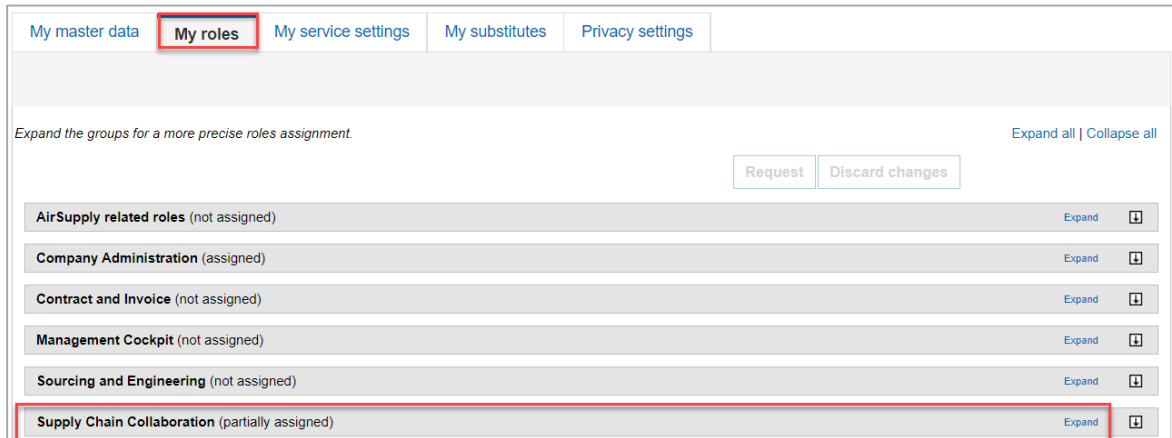

Figure: **My roles**

Group: Supply Chain Collaboration

VMISellerAdmin:

✓ Display of VMI articles, display and changing of supplier master data

WebEDISellerAdmin:

✓ Access to Supply Chain Collaboration.

The SupplyOn Company Admin is authorized to create new users or to assign roles to already existing users.

Depending on whether you were already an existing supplier on SupplyOn or are completely new, the role assignment differs:

For newer suppliers you should see this screen here:

Shipping, Goods Receipt, Warehouse…

Figure: **User Management** with **Edit User** and **Areas of responsibility**

After clicking **More information,** the following help page is displayed. Here you can see the tasks the user can fulfill with this responsibility.

Figure: **Help page** with explanation **for Shipping, goods receipt and warehouse management** responsibility